



2120 L Street, NW  
Suite 650  
Washington, D.C. 20037  
Tel. 202-263-1650  
Fax. 202-776-0078  
e-mail: csandy@neca.org

**Colin Sandy**  
Attorney  
Admission Pending  
Washington Office

December 7, 2001

Ms. Magalie Roman Salas, Secretary  
Federal Communications Commission  
The Portals  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Re: **Ex Parte Notice:** Local Number Portability, CC Docket No.  
95-116

Dear Ms. Salas:

Today, John Hunter of USTA, Dan Mitchell and Brian O'Hara of NTCA, Margot Humphrey, Esq. of NRTA, Jeff Smith of OPASTCO, Gina Harrison and I of NECA, met with Sam Feeder, Legal Advisor to Commissioner Martin to discuss matters summarized in the Attachment A. Also, a copy of Attachment B was delivered to Jordan Goldstein, Senior Legal Advisor to Commissioner Copps per his request.

In accordance with FCC rules, I am including two copies of this notice. Kindly make it part of the record in the above-referenced proceedings, and direct any questions to me.

Sincerely,

A handwritten signature in black ink, appearing to read "Colin Sandy", is written over a horizontal line.

Colin Sandy  
Attachment

Cc: Sam Feeder.  
Jordan Goldstein

# A

## Number Portability Cost Recovery for Non-LNP-capable LECs

- Carriers need to recover the legitimate costs of LNP *now*.
- Issue is pending since July 1998 when NECA first filed its Petition for Reconsideration.
- All LECs LNP & non-LNP capable incur LNP costs
  - for LNP Database Administration
  - for Regional Database upkeep, queries, and end office software.
- LECs also incur one-time costs when converting to LNP capability.
- FCC rules permit LNP-capable LECs to recover one-time costs and ongoing costs via end user charges for a five-year period, but they may keep recovering on-going costs as normal business expenses, i.e., in access rates.
- No recovery method has been specified for costs incurred by non-LNP-capable LECs. These costs should also be treated as normal business expenses, and be recovered in access rates.
- Change in TS rate will be small.
  - Based on responses from 75% of Pooling LECs, NECA estimated annual costs for the total pool of \$3.6 M (0.36% of TS Revenue).
  - Equivalent to \$0.0002 per minute of use.
- Although access charges would best achieve stated FCC policy, it is most critical to adopt a method now that will ensure recovery of all costs incurred to implement and provide LNP.

B

## NECA LOCAL NUMBER PORTABILITY COSTS

### Cost Categories:

A January 2000 data request, completed by LECs participating in the NECA Traffic Sensitive Pool, identified Local Number Portability costs in the following categories:

1. Database Administration
2. Software Upgrade costs to support query initiation
3. Costs associated with querying regional databases billed to N-1 carriers by other entities

Where LECs had Software Upgrades, the overall costs were higher on average than where there was no upgrade. There were only 138 LECs with costs in this category and they are treated separately in the reporting of the results below.

### Assumptions:

- Rates are set for a five-year recovery period.
- The costs reported in the January data request 2000 are representative of the on-going costs of LNP.

### Results:

Local Number Portability Costs per Month per Line				
Type	Average	Minimum	Maximum	# of Study Areas
Areas with no Software Upgrade Costs	\$0.0160	\$0.0005	\$0.2774	934
Areas with Software Upgrade Costs	\$0.1351	\$0.0092	\$1.0805	138

### Observations:

If the Commission were to require recovery through end user charges, NECA may need to file up to 1072 Study Area rates on behalf of the LECs.

If the Commission were to allow recovery of LNP costs through access charges, this would increase traffic sensitive switched rates by 0.36% or \$0.0002 per minute.